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Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
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SEC FILE NUMBER
8-27394

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING July 1, 2006 AND ENDING June 30, 2007  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: GIT Investment Service, Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P O. Box No )

1700 N. Moore Street, Suite M1E

(No. and Street)

Arlington, VA 22209

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Meg Goodman (301) 652-1616 ext. 2268

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Johnson Lambert & Co. LLP

(Name - if individual, state last, first, middle name)

3110 Fairview Park Drive, Suite 800, Falls Church, VA 22042

(Address)

(City)

CHECK ONE:

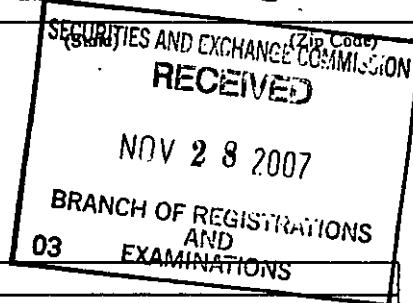
- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions

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**PROCESSED**

**JAN 03 2008**

**THOMSON  
FINANCIAL**



\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

11/28/07

## OATH OR AFFIRMATION

I, Meg Goodman, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GIT Investment Services, Inc., as of June 30, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

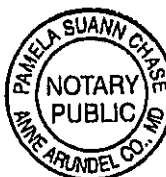
Meg Goodman  
Signature

Treasurer

Title

P. S. Chase

Notary Public



PAMELA SUANN CHASE  
Notary Public, State of Maryland  
County of Anne Arundel  
My Commission Expires February 1, 2011

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☐ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240 17a-5(e)(3)



GIT Investment Services, Inc.

Statement of Financial Condition

*As of June 30, 2007*  
*with Report of Independent Auditors*

GIT Investment Services, Inc.

Audited Financial Statements

June 30, 2007

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## Report of Independent Auditors

Board of Directors  
GIT Investment Services, Inc.

We have audited the accompanying statement of financial condition of GIT Investment Services, Inc. (the Corporation) as of June 30, 2007. This financial statement is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of GIT Investment Services, Inc. at June 30, 2007 in conformity with accounting principles generally accepted in the United States.

*Johnson Lambert & Co. LLP*

Falls Church, Virginia  
August 22, 2007

GIT Investment Services, Inc.

Statement of Financial Condition

June 30, 2007

<b>Assets</b>	
Cash and cash equivalents	\$ 353,704
Deposits with clearing broker	50,000
Investment securities	59,717
Fees receivable	<u>11,289</u>
Total assets	<u>\$ 474,710</u>
<b>Liabilities and stockholders' equity</b>	
<b>Liabilities:</b>	
Due to clearing broker	\$ 1,473
Due to affiliate	<u>10,457</u>
Total liabilities	<u>11,930</u>
<b>Stockholders' equity:</b>	
Common stock, \$1 par value; 50,000 shares authorized; 3,716 shares issued and outstanding	3,716
Additional paid-in capital	394,857
Retained earnings	81,674
Accumulated other comprehensive loss	<u>(17,467)</u>
Total stockholders' equity	<u>462,780</u>
Total liabilities and stockholders' equity	<u>\$ 474,710</u>

*See notes to the financial statements.*

# **GIT Investment Services, Inc.**

## **Notes to Financial Statements**

As of June 30, 2007

### **1. Organization**

GIT Investment Services, Inc. (the Corporation) is a registered broker/dealer under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc. The Corporation provides security brokerage services primarily to individual investors. In May 2003, the Corporation began trading under the name Clarendon Securities. The Corporation is located in Arlington, Virginia, and is a wholly-owned subsidiary of Bankers Finance Capital Corp. (BFCC). The Corporation and BFCC operate under common control with Presidential Bank, FSB (President Bank).

### **2. Significant Accounting Policies**

#### **Basis of Reporting**

The accompanying financial statement has been prepared in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

The Corporation considers all highly liquid investments, including money market funds with original maturities of 90 days or less, to be cash equivalents. At June 30, 2007, 92.3% of the balance of cash and cash equivalents represents amounts invested in the Prime Fund-Capital Reserves money market fund held through National Financial Services, LLC (NFS).

#### **Investment Securities**

Investment securities with readily determinable market values are classified as available-for-sale and are reported at fair value, based on published market prices. Unrealized gains and losses are reported as accumulated other comprehensive income, a separate component of shareholders' equity. Realized gains and losses are recognized on a specific cost identification basis.

All of the investment securities are invested in NASDAQ Stock Market, Inc. common stock. The stock was purchased during the 2006 fiscal year and as of June 30, 2007 had unrealized losses of \$17,467. These securities were acquired at a discount from the public offering price.

## GIT Investment Services, Inc.

### Notes to Financial Statements (Continued)

#### 3. Clearing Agreement

The Corporation acts as an introducing broker in the execution of security transactions on behalf of its customers. Under an agreement with NFS, the cash and margin brokerage accounts of the Corporation's customers are carried by NFS on a fully disclosed basis. The clearing agreement also provides that NFS shall perform certain other services relating to clearing and maintaining customer accounts.

Pursuant to this agreement, the Corporation is required to maintain a minimum deposit of \$50,000 to secure obligations related to the execution of securities transactions. The agreement may be terminated by either party upon 60 days prior written notice.

#### 4. Income Taxes

The Corporation is an S Corporation for tax purposes as defined in Subchapter S of the Internal Revenue Code. Generally an S Corporation is not subject to income taxes but rather items of income, gains, losses, deductions and credits pass through to the corporation's stockholders in determining their individual tax liabilities. Accordingly, the Corporation has no provision for income taxes.

#### 5. Related Party Transactions

The Corporation shares certain facilities and personnel with Presidential Bank and BFCC. Under an agreement between BFCC and the Corporation, BFCC also provides certain operational support services, including the maintenance and preservation of books and records appropriate to a registered broker/dealer, among others. The amounts paid by the Corporation to Presidential Bank for shared facilities include any direct costs incurred by the Corporation plus an allocable portion of rent, utilities and other related costs incurred by Presidential Bank as a result of the joint occupancy, plus an amount equal to 15% of the total of all direct and allocable costs. Because of the affiliation between the Corporation and Presidential Bank, amounts reimbursed may not be representative of amounts that would have been paid had such services and facilities been obtained from third parties. However, pursuant to applicable banking regulations, Presidential's Board of Directors has made a good faith determination that Presidential's arrangements for shared facilities with the Corporation are consistent with those that would apply to unaffiliated entities. As of June 30, 2007 there is an accrual for \$10,457 due to BFCC.



## GIT Investment Services, Inc.

### Notes to Financial Statements (Continued)

#### 5. Related Party Transactions (Continued)

Under the arrangement to share facilities with Presidential Bank, the Corporation expects to make payments through the duration of Presidential's current office lease through October 2008.

Expected future minimum payments to Presidential Bank approximate the following for the years ending June 30:

2008	\$	18,700
2009		6,300
Total	\$	<u>25,000</u>

The Corporation's agreement to share facilities with Presidential Bank and to make foregoing payments is cancelable by either party upon 30 days written notice to the other party.

At June 30, 2007, the Corporation had \$27,206 on deposit with Presidential Bank, a federally insured depository institution.

#### 6. Guarantees – Indemnifications

In the normal course of its business, the Corporation indemnifies and guarantees certain service providers, such as clearing and custody agents, trustees and administrators, against specified potential losses in connection with their acting as an agent of, or providing services to, the Company or its affiliates. The maximum potential amount of future payments that the Corporation could be required to make under these indemnifications cannot be estimated. However, the Corporation believes that it is unlikely it will have to make material payments under these arrangements and has not recorded any contingent liability in the financial statements for these indemnifications.

#### 7. Regulatory Requirements

The Corporation is subject to the Securities and Exchange Commission Uniform Net Capital Rule, as amended (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At June 30, 2007, the Corporation had net capital of \$434,988 which was \$184,988 in excess of its required net capital of \$250,000 and a ratio of aggregate indebtedness to net capital of 0.03 to 1.

GIT Investment Services, Inc.

Notes to Financial Statements (Continued)

7. Regulatory Requirements (Continued)

The Corporation is exempt from the requirement of the Securities and Exchange Commission Customer Protection Rule, Rule 15c3-3, to maintain a special reserve bank account, in that the Corporation's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the rule.

**END**